

EXHIBIT 1



LAW DEPARTMENT

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November 23, 2020

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

RE: Proposed ordinance to amend Chapter 20 of the 2019 Detroit City Code, Health, Article VI
Medical Marihuana Facilities

Honorable City Council:

Council Member Tate has requested that the Law Department prepare an ordinance to amend Chapter 20 of the 2019 Detroit City Code, Health, Article VI, Medical Marihuana Facilities, to add regulations to allow adult-use marijuana establishments in accordance with the Michigan Regulation and Taxation of Marihuana Act, MCL 333.27951, et seq. A copy of the ordinance, which has been approved as to form, is attached for your consideration.

Respectfully submitted,

Kimberly A. James

Kimberly A. James
Chief Administrative Corporation Counsel

S U M M A R Y

This ordinance amends Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI, *Medical Marihuana Facilities*, by renaming the Article to *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, and amending such article to consist of Division 1, *Generally*, Section 20-6-1, *Purpose*, Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in provisions; severability*; Division 2, *Marijuana license review committee*, Section 20-6-21, *Creation*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, Section 20-6-24, *Duties and functions*; Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit legacy status*, Section 20-6-33, *Provisional licenses*, Section 20-6-34, *Number of licenses*, Section 20-6-35, *Detroit legacy certification; application periods*, Section 20-6-36, *License application*, Section 20-6-37, *Fees*, Section 20-6-38, *Application review process*, Section 20-6-39, *Inspections, investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44, *Penalty*, Section 20-6-45, *Appeals*, Section 20-6-46, *Inspection by authorized local officials*, and Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; to amend regulations for medical marijuana facilities; add regulations for adult-use marijuana establishments; and authorize business licenses for co-location, and adult-use marijuana establishments including grower, processor, retailer, secure transporter, safety compliance facility, microbusiness, marijuana event organizer, temporary marijuana event, and designated consumption establishment.

1 **BY COUNCIL MEMBER _____ :**

2 **AN ORDINANCE** to amend Chapter 20 of the 2019 Detroit City Code, *Health*, Article
 3 *VI, Medical Marihuana Facilities*, by renaming the Article to *Medical Marijuana Facilities and*
 4 *Adult-Use Marijuana Establishments*, and amending such article to consist of Division 1,
 5 *Generally*, Section 20-6-1, *Purpose*, Section 20-6-2, *Definitions*, Section 20-6-3, *Opt-in*
 6 *provisions; severability*; Division 2, *Marijuana license review committee*, Section 20-6-21,
 7 *Creation*, Section 20-6-22, *Personnel*, Section 20-6-23, *Management*, Section 20-6-24, *Duties and*
 8 *functions*; Division 3, *Licensing*, Section 20-6-31, *License required*, Section 20-6-32, *Detroit*
 9 *legacy status*, Section 20-6-33, *Provisional licenses*, Section 20-6-34, *Number of licenses*, Section
 10 20-6-35, *Detroit legacy certification, application periods*, Section 20-6-36, *License application*,
 11 Section 20-6-37, *Fees*, Section 20-6-38, *Application review process*, Section 20-6-39, *Inspections*,
 12 *investigations, review of materials submitted*, Section 20-6-40, *Operating requirements*, Section
 13 20-6-41, *License issuance*, Section 20-6-42, *Renewal of license; notification of deficiency or*
 14 *violation*, Section 20-6-43, *License suspension, revocation, or denial of renewal*, Section 20-6-44,
 15 *Penalty*, Section 20-6-45, *Appeals*, Section 20-6-46, *Inspection by authorized local officials*, and
 16 Section 20-6-47, *Social equity initiatives and substance use prevention appropriations*; to amend
 17 regulations for medical marijuana facilities; add regulations for adult-use marijuana
 18 establishments; and authorize business licenses for co-location, and adult-use marijuana
 19 establishments including grower, processor, retailer, secure transporter, safety compliance facility,
 20 microbusiness, marijuana event organizer, temporary marijuana event, and designated
 21 consumption establishment.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT

THAT:

Section 1. Chapter 20 of the 2019 Detroit City Code, *Health*, Article VI, *Medical Marihuana Facilities*, be renamed *Medical Marijuana Facilities and Adult-Use Marijuana Establishments*, and amended as follows:

CHAPTER 20. HEALTH

ARTICLE VI. MEDICAL MARIJUANA FACILITIES AND ADULT-USE

MARIJUANA ESTABLISHMENTS

DIVISION 1. - GENERALLY

Sec. 20-6-1. Purpose.

(a) The purpose of this article is to establish standards and procedures for the issuance, renewal, suspension, and revocation of business licenses for medical marijuana facilities and adult-use marijuana establishments consistent with the Michigan Medical Marijuana Facilities Licensing Act, being MCL 333.27101, *et seq.*, and the Michigan Regulation and Taxation of Marijuana Act, being MCL 333.27951, *et seq.*, respectively, to:

(1) ~~To provide qualifying patients access to medical marijuana~~ Serve and protect the health, safety, and welfare of the general public through reasonable regulation of marijuana business operations including noise, odor, air and water quality, food safety and public safety;

(2) ~~To ensure the safety of qualifying patients, primary caregivers, and the general public~~ Establish an application fee and a licensing fee for medical marijuana facilities and adult-use marijuana establishments to cover the City's costs in administering this ordinance;

- 1 (3) ~~To ensure that a portion of the City's costs in accommodating medical marijuana~~
2 ~~facilities are supplemented~~ Establish procedures for application, renewal,
3 suspension, and revocation of a business license for medical marijuana facilities,
4 and for adult-use marijuana establishments;
- 5 (4) ~~To Minimize adverse effects, if any, from the cultivation, processing, dispensing~~
6 ~~and storage of medical marijuana; and~~
- 7 (5) ~~To comply with the Michigan Medical Marijuana Act, being MCL 333.26421 et~~
8 ~~seq., all in order to protect and enhance the public health, safety, and welfare~~ Adopt
9 reasonable regulations as needed pursuant to the city's general police power
10 granted to cities by the Michigan Constitution of 1963 and the Home Rule City
11 Act, being MCL 117.1 et seq.;
- 12 (6) Recognize that social equity in the marijuana industry is required to address the
13 historical disproportionate impact of marijuana prohibition and enforcement on
14 Detroiters, and that the City of Detroit has been expressly named by the State of
15 Michigan's Social Equity Program as a community that has been disproportionately
16 impacted by marijuana prohibition and enforcement;
- 17 (7) Recognize that long term residents of the City of Detroit have historically been
18 excluded from ownership opportunities in the legal marijuana industry due to the
19 disproportionate impact of marijuana prohibition, enforcement, and the lack of
20 access to capital, land, and resources; that more than 30% of Detroiters live below
21 the federal poverty level; that Detroit has a marijuana-related criminal conviction
22 rate that exceeds the average marijuana-related criminal conviction rate in the State
23 of Michigan; and that long term Detroit residents have substantially contributed to

1 the economy in the form of taxes and fees to the extent that a reduction in fees,
2 and reservation of adult-use retailer, adult-use grower, adult-use processor,
3 designated consumption, marijuana event organizer, and microbusiness licenses for
4 long term Detroit residents under this article is appropriate as a form of social
5 equity;

6 (8) Recognize that employment opportunities in the legal marijuana industry are
7 essential for Detroiters, and to strongly encourage and incentivize licensees under
8 this article to ensure that at least 50% of its employees are Detroit residents,
9 specifically those Detroit residents who are veterans, low income, or have a prior
10 controlled substance record, as such terms are defined in Section 20-6-2, and that
11 the jobs provided pay at least \$15 an hour;

12 (9) Facilitate real property ownership opportunities for Detroit residents, for the
13 purpose of operating adult-use marijuana establishments licensed under this article
14 and MRTMA; the City of Detroit shall use good faith efforts to transfer eligible
15 City-owned real property to one of the City's economic development agencies or
16 authorities, for the specific purpose of transferring the property to Detroit legacy
17 applicants or licensees, as defined in Section 20-6-2, at 25% of the property's fair
18 market value. Such a transfer would be subject to applicable approvals by the City
19 of Detroit and the economic development agency or authority board, as well as
20 certain program rules that may be developed. The development and use of the
21 transferred property would be subject to all requirements of this Code and
22 MRTMA;

1 (10) Recommend that, subject to appropriation, amounts equal to \$500,000 of the fees
2 generated from the licenses issued pursuant to this article, and \$500,000 from an
3 allocation to the City of Detroit pursuant to M.C.L. 333.27964 be used annually to
4 further social equity goals, including, but not limited to, addressing the challenges
5 set forth in Subsections (6), (7), (8), and (9) of this section; and to

6 (11) Clarify that licensure of either a medical marijuana facility or an adult-use
7 marijuana establishment is a revocable privilege and not a right in the City. There is
8 no property right for an individual or business to have a medical marijuana facility
9 business license or an adult-use marijuana establishment business license in the
10 City of Detroit.

11 ~~(b) Nothing contained within this article, or within any license issued by the City, shall~~
12 ~~be construed to relieve a person of the duties and obligations imposed under state law.~~
13 ~~Notwithstanding the foregoing, it is not the intent of this article to diminish, abrogate or restrict~~
14 ~~protections for the medical use of marijuana provided in the Michigan Medical Marijuana Act,~~
15 ~~being MCL 333.26421 et seq. Nothing in this Article, or in any other provision of this Code, is~~
16 ~~intended to grant, nor shall it be construed as granting, immunity from criminal prosecution for:~~

17 (1) The cultivation, sale, consumption, use, distribution, manufacture or possession of
18 marijuana in any form not in compliance with the MMMA, the MMFLA, and the
19 MRTMA, as applicable; or

20 (2) any criminal prosecutions under federal laws including seizure of property under
21 the Federal Controlled Substances Act, being 21 USC 801, et seq.

22 (c) Nothing contained within this Article, or within any license issued by the City,
23 shall be construed to relieve a person of the duties and obligations imposed under state or

1 federal law. Notwithstanding the foregoing, it is not the intent of this Article to diminish, abrogate
2 or restrict protections for the use of marijuana provided in the MMMA, the MMFLA, and the
3 MRTMA, as applicable.

4 (d) By accepting a license issued pursuant to this Article, the licensee waives and
5 releases the City, its officers, elected officials, and employees from any liability for injuries,
6 damages, or claim of any kind that results from any arrest or prosecution of owners, operators,
7 clients or customers of medical marijuana facilities or adult use marijuana establishment for
8 violation of local, state, or federal laws, rules or regulations.

9 (e) By accepting a license issued pursuant to this Article, the licensee agrees to
10 indemnify, defend and hold harmless the City, its officers, elected officials, employees, and agents
11 against all liability, claims or demands arising on account of any claim of diminution of property
12 value arising out of the operation of a medical marijuana facility or an adult use marijuana
13 establishment, or any claim based on an alleged injury to business or property by reason of a
14 claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO),
15 being 18 USC 1961, et seq.

16 **Sec. 20-6-2. Definitions.**

17 (a) The following words, terms and phrases, when used in this article, shall have the
18 meanings provided in this section:

19 Adult-use marijuana establishment means a business licensed under the MRTMA and this
20 article to operate as a grower, processor, retailer, secure transporter, safety compliance facility,
21 microbusiness, excess marijuana grower, marijuana event organizer, temporary marijuana event,
22 or designated consumption establishment, or any other type of marijuana-related business licensed
23 to operate in accordance with the MRTMA.

1 Applicant means the entity or individual making application for a license under this
2 article, and includes all members, partners, directors, shareholders, officers, and owners of the
3 entity applying for licensure.

4 Authorized local official means a Detroit police officer, or other City of Detroit employee
5 or agent designated by the director of the Department, who is authorized to issue violations and
6 perform inspections in accordance with this Code.

7 Co-location means a property that has been zoned to allow more than one type
8 of medical marijuana facility or adult-use marijuana establishment to operate on the same
9 premises, subject to the applicable rules promulgated in accordance with the MMFLA, the
10 MRTMA, and this Code.

11 Co-location license means a license required under this Article when a property has been
12 zoned to allow more than one medical marijuana facility or adult-use marijuana establishment to
13 operate on the same premises, and the property owner is not the licensee of all the businesses
14 operating on the premises.

15 Common ownership means two or more state operating licenses or two or more equivalent
16 licenses held by one individual or one entity.

17 Community outreach means any outreach meeting, technology aided outreach, or outreach
18 alert intended to ensure community awareness of licensing activities under this article.

19 Community outreach plan means a plan for ongoing efforts by a licensee under this article
20 to continually engage and inform the community that surrounds the licensee's business location of
21 employment and social equity opportunities at the licensee's place of business.

22 Community outreach report means a report of the efforts taken by a license applicant to
23 inform and engage the community that surrounds the applicant's proposed business location of the

1 applicant's proposed business operation, and any employment or social equity opportunities that
2 the applicant intends to offer.

3 *Cultivation or cultivate* means:

- 4 (1) all phases of growth of marijuana from seed to harvest; or
5 (2) preparing, packaging or repackaging, labeling, or relabeling of any form of
6 marijuana.

7 Department means the City of Detroit Buildings, Safety Engineering, and Environmental
8 Department.

9 Designated consumption establishment means a business that is licensed under the
10 MRTMA and this Article to permit adults 21 years of age and older to consume marijuana products
11 at a commercial location designated by the state operating license.

12 Detroit legacy applicant or licensee means an individual who has, or an entity that is at least
13 51% owned and controlled by one or more individuals who has been a City of Detroit resident at the time
14 of application for at least one year, and additionally has been:

15 (1) a City of Detroit resident for 15 of the past 30 years preceding the date of application, and
16 continues to so reside throughout the period of licensure; or

17 (2) a City of Detroit resident for 13 of the past 30 years preceding the date of application, and
18 continues to so reside throughout the period of licensure, and is a low income applicant at
19 the time of application, as defined in this Section; or

20 (3) a City of Detroit resident for the 10 of the past 30 years preceding the date of application,
21 and continues to so reside throughout the period of licensure, and has a prior controlled
22 substance record, as defined in this section, or a parent with a prior controlled substance
23 record as defined in this section under the following circumstances:

1 (i) the parent is named on the applicant's birth certificate, and the parent's conviction
2 took place before the applicant's 18th birthday; or

3 (ii) the parent has claimed the applicant as a dependent regularly on federal income
4 tax filings, and the parent's conviction took place before the applicant's 18th
5 birthday.

6 Digital notification means any form of electronic communication.

7 Equivalent licenses means any of the following held by a single licensee:

8 (1) A marijuana grower license, of any class, issued under MRTMA and a grower
9 license, of any class, issued under the MMFLA;

10 (2) A marijuana processor license issued under the MRTMA and a processor license
11 under the MMFLA;

12 (3) A marijuana retailer license issued under the MRTMA and a provisioning center
13 license issued under the MMFLA;

14 (4) A secure transporter license issued under the MRTMA and a secure transporter
15 license issued under the MMFLA; or

16 (5) A safety compliance facility license issued under the MRTMA and a safety
17 compliance facility license issued under the MMFLA.

18 Excess marijuana grower means a state operating license holder holding five class C
19 marijuana grower licenses under the MRTMA.

20 ~~Grower means a state operating license holder that is a commercial entity located in this~~
21 ~~state that cultivates, dries, trims, or cures and packages marijuana for sale to a processor or~~
22 ~~provisioning center~~ business licensed under the MMFLA or MRTMA and this article, located in

1 this state, which cultivates, dries, trims, or cures and packages marijuana for sale or transfer
2 to a medical marijuana facility or an adult-use marijuana establishment, and is licensed as follows:

3 (1) class A adult-use marijuana grower means a state operating license holder who is
4 authorized to grow 100 marijuana plants;

5 (2) class B adult-use marijuana grower means a state operating license holder who is
6 authorized to grow 500 marijuana plants;

7 (3) class C adult-use marijuana grower means a state operating license holder who
8 is authorized to grow 2000 marijuana plants;

9 (4) class A medical marijuana grower means a state operating license holder who
10 is licensed to grow 500 medical marijuana plants;

11 (5) class B medical marijuana grower means a state operating license holder who
12 is licensed to grow 1000 medical marijuana plants; or

13 (6) class C medical marijuana grower means a state operating license holder who is
14 licensed to grow 1500 medical marijuana plants.

15 Licensee means an individual or entity that holds a state operating license and a business
16 license under this article.

17 Low income applicant means an individual who, at the time of licensing, lives in a
18 household with household income that is less than 80% of the existing Detroit median household
19 income.

20 Marijuana event organizer means a state license holder authorized to apply for a temporary
21 marijuana event license in accordance with the MRTMA.

22 Medical marijuana facility means any facility, entity, establishment, or center that is
23 required to be licensed under the Michigan Medical Marijuana Facilities Licensing Act, being

1 ~~MCL 333.27101 et seq.~~ MMFLA-, and this article, including a grower, processor, provisioning
2 center, safety compliance facility, or a secure transporter.

3 *Marijuana-infused product* means a topical formulation, tincture, beverage, edible
4 substance, or similar product containing any usable marijuana that is intended for human
5 consumption in a manner other than smoke inhalation.

6 *Microbusiness* means a business licensed under MRTMA and this article that cultivates up
7 to 150 marijuana plants or more as allowed by the State of Michigan, processes, and packages
8 marijuana, and sells or otherwise transfers marijuana to individuals who are 21 years of age or
9 older or to a safety compliance facility, but not to other adult-use marijuana establishments or
10 medical marijuana facilities.

11 *MMFLA* means the Michigan Medical Marihuana Facilities Licensing Act, Public Act 281
12 of 2016, being MCL 333.27101, et seq.

13 *MMMA* means the Michigan Medical Marihuana Act, means Initiated Law 1 of 2008,
14 being MCL 333.26421, et seq.

15 *MRTMA* means the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1
16 of 2018, being MCL 333.27951 et seq.

17 *Outreach alert* means any form of one way communication that informs a community or
18 neighborhood of an issue, problem, opportunity or decision.

19 *Outreach meeting* means any in person or virtual meeting that provides for public
20 discussion of a topic.

21 *Person* means an individual, partnership, firm, company, corporation, association, sole
22 proprietorship, limited liability company, joint venture, estate, trust, or any other legal entity.

1 *Primary caregiver* means the term as defined by the MMMA. ~~Michigan Medical Marijuana~~
2 ~~Act, being MCL 333.26421 et seq.~~

3 *Prior controlled substance record* means to have been convicted, or adjudged to be a ward
4 of the juvenile court, for any crime relating to the sale, possession, use, cultivation, processing, or
5 transport of marijuana prior to November 7, 2018.

6 *Process or Processing* means to separate or otherwise prepare parts of the marijuana plant
7 and to compound, blend, extract, infuse or otherwise make or prepare marijuana concentrate or
8 marijuana-infused products.

9 *Processor* means a ~~state operating license holder that is a commercial entity located in this~~
10 ~~state that purchases marijuana from a grower and that extracts resin from the marijuana or creates~~
11 ~~a marijuana-infused product for sale and transfer in packaged form to a provisioning center~~
12 business licensed under the MRTMA or the MMFLA and this article, located in this state, that
13 obtains marijuana from a medical marijuana facility or an adult-use marijuana establishment and
14 that processes marijuana for sale and transfer in packaged form to a medical marijuana facility
15 or an adult-use marijuana establishment.

16 *Provisional license* means a placeholder license granted under this article to a Detroit
17 legacy applicant who does not yet have an approved location to operate the business for which the
18 applicant seeks a license, which will be converted to a full license if the applicant secures an
19 approved location and meets all the requirements of this article within twelve months of being
20 granted the provisional license. A provisional license will not be counted as a full license for
21 purposes of the numerical caps established under Section 20-6-34 of this Code, nor in determining
22 whether the requirements of Section 20-6-31(d) and (e) are met, until it has been converted to a
23 full license.

1 *Provisioning center* means a ~~state operating license holder~~ business licensed under the
 2 MMFLA that is a commercial entity located in this state that purchases marijuana from a grower
 3 or processor and sells, supplies, or provides marijuana to qualifying patients, directly or through
 4 the registered primary caregivers of patients. Provisioning center includes any commercial
 5 property where marijuana is sold at retail to qualifying patients or primary caregivers. A non-
 6 commercial location used by a primary caregiver to assist a qualifying patient connected to the
 7 caregiver through the state's marijuana registration process in accordance with the MMMA
 8 ~~Michigan Medical Marijuana Act, being MCL 333.26421 et seq.~~, is not a provisioning center for
 9 purposes of this article.

10 *Qualifying patient* means the term as defined by the MMMA. ~~Michigan Medical Marijuana~~
 11 ~~Act, being MCL 333.26421 et seq.~~

12 *Registered user* means any person or entity that has submitted their email address of
 13 telephone number of the purpose of receiving digital notifications.

14 *Retailer* means a business licensed under the MRTMA and this article that may obtain
 15 marijuana from adult-use marijuana establishments and sell or transfer marijuana to individuals
 16 who are 21 years of age or older and to other adult-use marijuana establishments.

17 *Safety compliance facility* means a ~~state operating license holder that is a commercial entity~~
 18 ~~that receives marijuana from a medical marijuana facility or primary caregiver, tests it for~~
 19 ~~contaminants and for tetrahydrocannabinol and other cannabinoids, returns the test results, and~~
 20 ~~may return the marijuana to the medical marijuana facility~~ business licensed under the MRTMA
 21 or the MMFLA and this article that tests marijuana for contaminants and potency or as required
 22 by the MRTMA or the MMFLA for a primary caregiver, medical marijuana facility, or adult-use
 23 marijuana establishment.

1 *Secure transporter* means ~~state operating license holder that is a commercial entity located~~
 2 ~~in this state~~ a business licensed under the MRTMA or the MMFLA and this article, that stores
 3 marijuana and transports marijuana between medical marijuana facilities or adult-use marijuana
 4 establishments for a fee.

5 *Social equity program or SEP* means a program authorized by the MRTMA, which is
 6 designed to encourage participation in the marijuana industry by people who live in certain
 7 Michigan communities designated by the State of Michigan, who have been disproportionately
 8 impacted by marijuana prohibition and enforcement.

9 *State operating license* means a license that is issued under the ~~Michigan Medical~~
 10 ~~Marijuana Facilities Licensing Act, being MCL 333.27101 et seq.,~~ MMFLA or the MRTMA that
 11 allows the licensee to operate as a medical marijuana facility or an adult-use marijuana
 12 establishment, respectively.

13 *Technology aided outreach* means any form of electronic communication transmitted by
 14 digital surveys or an online comment process that allows residents to provide comments.

15 *Temporary marijuana event permit* means a permit held by a marijuana event organizer
 16 under this article and the MRTMA, which the state has approved, authorizing an
 17 event where the onsite sale or consumption of marijuana products, or both, are authorized at the
 18 location and on the dates indicated on the state operating license.

19 **~~Sec. 20-6-3. Penalty. REPEALED~~**

20 ~~(a) Any violation of this article shall be a civil infraction punishable by a fine in an amount set~~
 21 ~~from time to time by resolution of the City Council.~~

22 ~~(b) In addition to the penalties provided by this section, the district court shall have equitable~~
 23 ~~jurisdiction to enforce any judgment, writ, or order necessary to enforce any provision of this~~

1 article, including, but not limited to, abatement of the violating condition or the granting of
2 injunctive relief.

3 ~~(c) Contested hearings under this section before the district court may be conducted as an~~
4 ~~informal hearing and as a formal hearing, as may be applicable, as provided by the Michigan~~
5 ~~Revised Judicature Act of 1961, being MCL 600.101 et seq.~~

6 **Sec. ~~20-6-420-6-3~~. - Opt-in provision; severability.**

7 (a) Pursuant to Section 205(1) of the MMFLA, Michigan Medical Marijuana Facilities
8 Licensing Act, being MCL 333.27205(1), the City shall authorize licenses in accordance with the
9 provisions of this article for the following types of medical marijuana facilities:

- 10 (1) Growers ~~(Class A, Class B, and Class C)~~;
11 (2) Processors;
12 (3) Provisioning centers;
13 (4) Safety compliance facilities; and
14 (5) Secure transporters.

15 (b) Pursuant to Section 6(3) of the MRTMA, the City may authorize licenses in
16 accordance with the provisions of this article for the following types of marijuana establishments:

- 17 (1) Growers;
18 (2) Retailers;
19 (3) Processors;
20 (4) Safety compliance;
21 (5) Secure transporters;
22 (6) Temporary marijuana events;
23 (7) Marijuana event organizers;

1 (8) Designated consumption establishments; and

2 (9) Microbusinesses.

3 (c) The City may sign attestations or other documents to evidence municipal approval
4 for a state operating license as required by the State of Michigan Marijuana Regulatory Agency
5 only upon issuance of a license under this article.

6 (d) Detroit City Council is exercising its discretion to permit adult-use marijuana
7 establishments in Detroit as supported by the legal opinion of the Corporation Counsel that the
8 ordinance is lawful, and on the condition that licenses for Detroit legacy applicants shall be
9 prioritized in accordance with the legislative purpose of this ordinance. Should any provision of
10 this ordinance governing adult-use marijuana establishments be ruled invalid, unconstitutional or
11 struck down by a court of law, Subsection (b) of this section will be thereto repealed, and future
12 adult-use marijuana establishments will be prohibited in accordance with Section 6(1) of the
13 MRTMA, excluding those adult-use marijuana establishments previously licensed under this
14 article, which licenses shall continue in effect until their expiration date, after which time they will
15 not be renewed.

16 ~~**Sec. 20-6-5. Requirements. REPEALED**~~

17 ~~A medical marijuana facility licensed under this article shall be subject to the following~~
18 ~~conditions:~~

19 ~~(1) Compliance with the requirements of this article, this Code, and applicable state~~
20 ~~law;~~

21 ~~(2) Compliance with the provisions of the Michigan Medical Marijuana Facilities~~
22 ~~Licensing Act, being MCL 333.27101, and the Michigan Medical Marijuana Act,~~
23 ~~being MCL 333.26421 et seq.;~~

1 ~~(3) Medical marijuana facilities must obtain all necessary state and local license/permits~~
2 ~~before commencing operations and shall maintain a valid license/permit during~~
3 ~~operation;~~

4 ~~(4) No provisioning center may provide medical marijuana to any persons other than~~
5 ~~qualifying patients and primary caregivers whose status to possess medical~~
6 ~~marijuana pursuant to state law has been verified. A provisioning center may~~
7 ~~provide medical marijuana to a secure transporter for the purpose of transporting~~
8 ~~the material for testing;~~

9 ~~(5) No persons under the age of 18 shall be allowed within any medical marijuana~~
10 ~~facility, unless the individual is a qualifying patient and accompanied by his/her~~
11 ~~primary caregiver parent or documented legal guardian;~~

12 ~~(6) No medical marijuana facility shall permit the sale or dispensing of alcoholic liquor~~
13 ~~or tobacco for consumption on the premises or offsite of the premises;~~

14 ~~(7) No dried medical marijuana shall be stored in structures without at least four walls~~
15 ~~and a roof, or stored in an unlocked vault or safe, or other unsecured storage~~
16 ~~structure; nor shall any dried medical marijuana be stored in a safe or vault that is~~
17 ~~not bolted to the floor or structure of the facility. This does not include items on~~
18 ~~display for retail sales;~~

19 ~~(8) Operating hours for provisioning centers shall not exceed the hours between 9:00~~
20 ~~a.m. and 9:00 p.m. daily;~~

21 ~~(9) Signs displayed on the exterior and interior of the property shall conform to the~~
22 ~~requirements of this Code. No signs shall contain the word marijuana nor shall any~~
23 ~~sign contain marijuana leaves, or green crosses.~~

1 ~~(10) Consumption or use of marijuana is prohibited on the premises.~~

2 ~~(11) Public and common areas of a medical marijuana facility must be separated from~~
3 ~~restricted and non public areas by a permanent opaque barrier that cannot be~~
4 ~~accessed by individuals who are not approved to have access.~~

5 ~~(12) Marijuana and marijuana infused products may not be stored, displayed, or~~
6 ~~transferred in an area accessible to the general public, and may only be displayed~~
7 ~~for sale and transferred in sales areas approved as part of the licensing process set~~
8 ~~forth in this article.~~

9 **~~Sec. 20-6-6. Police review. REPEALED~~**

10 ~~For purposes of ensuring compliance with this article, owners and/or operators of licensed~~
11 ~~medical marijuana facilities shall permit members of the Police Department, or any employee or~~
12 ~~agent of the City that is authorized by this Code, to inspect, during regular business hours, any~~
13 ~~portion of a medical marijuana facility, subject to constitutional restrictions on unreasonable~~
14 ~~searches and seizures. Where entry is refused or not obtained, the City is authorized to pursue~~
15 ~~recourse as provided by law.~~

16 **~~Secs. 20-6-7 20-6-4—20-6-20. Reserved.~~**

17 **DIVISION 2. MARIJUANA LICENSE REVIEW COMMITTEE**

18 **Sec. 20-6-21. Creation.**

19 There is hereby established a Marijuana License Review Committee (“MLRC”), which
20 shall perform its duties and exercise its powers in accordance with this article.

21 **Section 20-6-22. Personnel.**

22 The MLRC shall consist of a staff member of each of the departments and agencies that
23 are identified in this section. The directors of the respective departments and the heads of the

1 respective agencies identified in this section shall each appoint a qualified representative or
2 representatives from among their respective staffs to serve on the MLRC. The respective
3 departments and agencies that must appoint representatives to the MLRC are as follows:

4 (a) Office of the Chief Financial Officer, Assessor;

5 (b) Buildings, Safety Engineering, and Environmental Department;

6 (c) Office of the Chief Financial Officer, Treasury;

7 (d) Health Department;

8 (e) Law Department;

9 (f) Police Department;

10 (g) Civil Rights, Inclusion, and Opportunity Department;

11 (h) Office of Sustainability;

12 (i) Department of Neighborhoods; and

13 (j) Such other departments, agencies, or individuals as deemed appropriate by the
14 chairperson, on a case by case basis.

15 **Sec. 20-6-23. Management.**

16 (a) The representative from the Civil Rights, Inclusion, and Opportunity Department
17 serves as chairperson of the MLRC and shall maintain a record of applications, licenses granted
18 under this Article and other relevant files as needed.

19 (b) The MLRC may meet in person or virtually at the call of the chairperson, and shall
20 receive all materials for review electronically.

21 (c) The MLRC shall develop a standard of review for making recommendations on
22 license applications under this article that shall be approved by the Detroit City Council prior to
23 reviewing any applications.

1 **Sec. 20-6-24. Duties and functions.**

2 (a) New or renewal applications for a medical marijuana facility license or an adult-
3 use marijuana establishment license shall be reviewed by the MLRC and a recommendation
4 provided to the Department director before a license may be issued or renewed by the Department,
5 in accordance with the applicable review criteria set forth in this article. For temporary marijuana
6 events, the MLRC shall make its recommendation to the Detroit City Council, which must approve
7 the temporary marijuana event, before a permit is issued by the Department.

8 (b) Each department representative shall be responsible for investigating the
9 application within its department's respective area of oversight, providing relevant information,
10 reports or data to the MLRC for review, including, but not limited to the information set forth in
11 Section 20-6-39.

12 (c) Through the Chair, the MLRC may communicate and meet with the applicant, visit
13 the proposed site to be licensed, and request certain conditions be met prior to recommending
14 approval of the issuance of a license.

15 (d) After December 31, 2021, and excluding temporary marijuana events,
16 applications shall be reviewed and a recommendation provided by the MLRC to the Department
17 within ninety (90) days of receipt of a complete application as determined by the MLRC, or the
18 application shall be forwarded to the Department without recommendation.

19 (e) Every six months after the effective date of this ordinance, the MLRC will
20 provide a report to the Detroit City Council including the following information:

21 (1) name of all applicants, date of application and application status;

22 (2) name of all licensees, locations, and license date;

23 (3) number of licenses issued by license category; and

1 (4) details of each applicant's Good Neighbor Plan.

2 (f) Members of the MLRC shall take ethics training two times per calendar year, as
3 provided by the City of Detroit.

4 ~~Secs. 20-6-7 20-6-25~~—20-6-30. Reserved.

5 **DIVISION 23. - LICENSE LICENSING**

6 ~~Sec. 20-6-24~~**20-6-31. License Required.**

7 (a) No person may operate a medical marijuana facility or an adult-use marijuana
8 establishment in the City without first obtaining a license from the City and a state operating
9 license in accordance with the provisions of this article. A separate license under this article is
10 required for each medical-marijuana-facility business with a state operating license operating in
11 one building. A co-location license is required for a property owner that maintains more than one
12 medical marijuana facility or adult-use marijuana establishment in one building.

13 (b) ~~A provisioning center in operation on the effective date of this article may continue~~
14 ~~to operate provided it: (1) has applied to obtain a license from the City within 21 days of the~~
15 ~~effective date of this article; and (2) complies with the license requirements imposed by Section~~
16 ~~20-6-5 of this Code, as determined by the Buildings, Safety Engineering and Environmental~~
17 ~~Department, within 120 days of the effective date of this article~~ No more than one medical
18 marijuana provisioning center and one marijuana retailer establishment may be licensed in any
19 single building.

20 (c) License applications shall be time and date stamped in order of submission in each
21 category of licensure.

1 (d) No less than 50% of licenses for adult-use retailers, adult-use processors, adult-use
2 growers, designated consumption establishments, microbusinesses, and marijuana event
3 organizers shall be granted to Detroit legacy applicants as defined in Section 20-6-2.

4 (e) The City shall not issue a license for an adult-use retailer, adult-use processor,
5 designated consumption establishment, microbusiness, or a marijuana event organizer if such
6 issuance would cause the number of licenses held by Detroit legacy licensees to be less than 50%
7 of the total licenses held in each respective category.

8 (f) Excluding those applicants for marijuana event organizer licenses, all applicants
9 must conduct community outreach, as defined in Section 20-6-2, and provide a community
10 outreach report and a community outreach plan with the application. The applicant must forward
11 notice of the community outreach to the Department of Neighborhoods. The Department of
12 Neighborhoods shall send digital notification of the pending application to all registered users in
13 the Council district where the business is proposed to be located.

14 **Sec. 20-6-32. Detroit legacy status.**

15 Applicants may seek Detroit legacy status by applying to the Civil Rights, Inclusion, and
16 Opportunity Department (CRIO) electronically on a form provided by CRIO, with documentation
17 required to establish Detroit legacy applicant status. Once certified by CRIO, applicants may
18 submit a license application under this article as a Detroit legacy applicant. A Detroit legacy
19 licensee must complete such certification annually prior to license renewal.

20 **Sec. 20-6-33. Provisional licenses.**

21 (a) Detroit legacy applicants may apply for a provisional license for adult use
22 marijuana establishments, excluding temporary marijuana event permits and marijuana event
23 organizer licenses, under the following circumstances:

(1) The applicant has been certified as a Detroit legacy applicant;

(2) The applicant does not yet have a location that is properly zoned to operate the adult-use marijuana establishment for which the applicant seeks licensing; and

(3) The applicant meets all of the requirements of this article other than those related to the location where the adult-use marijuana establishment will be licensed.

(b) A provisional license will be converted to a full license if the applicant establishes a location that is properly zoned and meets the other requirements of this article within 12 months from the date of the provisional license, subject to the numerical caps set forth in Section 20-6-34.

(c) A licensee may not commence operations until it has received a full license under this article and a state operating license.

(d) A provisional license will not be counted as a full license for purposes of the numerical caps established under Section 20-6-34 of this Code, nor in determining whether the requirements of Section 20-6-31(d) and (e) are met until it has been converted to a full license.

Sec. 20-6-34. Number of Licenses.

The City hereby establishes the following numerical caps and may grant licenses for medical marijuana facilities and adult-use marijuana establishments, subject to the requirements of this article, in accordance with the chart below:

<u>Medical Marijuana Provisioning Center</u>	<u>75</u>
<u>Adult-Use Retailer Establishment</u>	<u>75</u>
<u>Grower</u>	<u>unlimited</u>
<u>Processor</u>	<u>unlimited</u>
<u>Secured Transporter</u>	<u>unlimited</u>
<u>Safety Compliance Facility</u>	<u>unlimited</u>
<u>Designated Consumption Lounge</u>	<u>35</u>
<u>Microbusiness</u>	<u>35</u>
<u>Marijuana Event Organizer</u>	<u>unlimited</u>
<u>Temporary Marijuana Event</u>	<u>unlimited</u>

1 **Sec. 20-6-35. Detroit legacy certification; application periods.**

2 (a) Upon the effective date of this ordinance, the City may immediately accept
3 applications for medical marijuana facility licenses under this article. Applications for medical
4 marijuana facility licenses that are under consideration by the City upon the effective date of this
5 article shall not be subject to the requirements of this article, except that the number of medical
6 marijuana provisioning center licenses is subject to the numerical cap set forth in Section 20-6-34.

7 (b) Upon the effective date of this ordinance, the Civil Rights, Inclusion, and
8 Opportunity Department will begin certifying Detroit legacy applicants.

9 (c) The City will begin accepting applications for adult-use marijuana establishment
10 licenses on April 1, 2021, and shall review license applications submitted by April 30, 2021 within
11 the time periods set forth in Subsections (d) and (e), below.

12 (d) From May 1, 2021 through June 15, 2021 there will be a reserved review period
13 wherein the City will review and may approve applications for adult-use marijuana establishment
14 licenses from Detroit legacy applicants, as well as applications for adult-use growers from current
15 holders of a state operating license for a medical marijuana facility in the City of Detroit. An
16 eligible applicant that wishes to be considered during this time period must submit a complete
17 application by April 30, 2021. The chronological order of reviewing license applications under
18 this subsection shall be determined by an independent, transparent, and random selection process.

19 (e) From June 16, 2021 through July 31, 2021 there will be a reserved review period
20 wherein the City will review and may approve applications for adult-use marijuana establishment
21 licenses, from holders of a state operating license for a medical marijuana facility in the City of
22 Detroit. An eligible applicant that wishes to be considered during this time period must submit a
23 complete application by April 30, 2021. The chronological order of reviewing license applications

1 under this subsection shall be determined by an independent, transparent, and random selection
2 process.

3 (f) After both review periods forth in Subsections (d) and (e) are completed, the City
4 will determine whether no less than 50% of adult-use grower licenses have been issued to Detroit
5 legacy applicants in accordance with Section 20-6-31(d), and if not, shall not issue any more adult-
6 use grower licenses to applicants other than Detroit legacy applicants until this requirement has
7 been met.

8 (g) Beginning April 1, 2021, and continuing thereafter, the City will accept
9 applications for temporary marijuana events. Applications must be submitted at least 90 days in
10 advance of the event.

11 (h) Beginning August 1, 2021, and continuing thereafter, the City will review and may
12 approve applications for adult-use marijuana establishment licenses from any applicant.

13 (i) The City may postpone or modify the timelines set forth in this section for
14 reviewing applications to later dates out of administrative necessity, and shall inform the public
15 forthwith.

16
17 **Sec. ~~20-6-22~~20-6-36. License application.**

18 (a) Any person seeking to operate a medical marijuana facility or an adult-use
19 marijuana establishment, excluding marijuana event organizers, temporary marijuana events, and
20 co-location licenses, shall file an application electronically with the Buildings, Safety Engineering
21 and Environmental Department Business License Center upon a form provided by the Department.

22 The application shall include, or include as an attachment, the following information:

- 23 (1) The name, age, address, principal telephone number and email address of the
24 applicant;

1 (2) ~~The name, age, address, principal telephone number and email address of all business~~
2 ~~partners of the applicant~~ If applicable, Detroit legacy applicant certification;

3 (3) If the applicant is an organized legal entity, the name, mailing address, telephone
4 number and email of all owners, directors, members, managers, officers, partners,
5 or shareholders, as well as the registered agent;

6 (4) A signed release authorizing the Police Department to perform criminal background
7 checks on all individuals ~~listed within the application~~ identified as part of the
8 ownership entity;

9 ~~(4) If the applicant is a corporation, the names and addresses of all directors, officers~~
10 ~~or shareholders as well as the name and address of the registered agent;~~

11 ~~(5) If the applicant is a partnership, the names and addresses of all general partners,~~
12 ~~limited partners, or officers as well as the name and address of the registered agent;~~

13 ~~(6) If the applicant is a limited liability company, the names and addresses of all~~
14 ~~directors, managers, members, or officers as well as the name and address of the~~
15 ~~registered agent;~~

16 ~~(7) If the applicant is any other legal entity, the names and addresses of all directors,~~
17 ~~members, officers, partners, or shareholders as well as the name and address of the~~
18 ~~registered agent;~~

19 (5) The address of the property/building proposed to be used as a medical marijuana
20 facility or adult-use marijuana establishment;

21 (6) The type and class of medical marijuana facility or adult-use marijuana
22 establishment requested ~~(grower, processor, provisioning center, safety compliance~~
23 ~~facility or secure transporter) proposed to be operated and a narrative describing~~

1 ~~the applicant's experience with such an operation, including whether associated~~
2 ~~permits, licenses or approvals had been denied, suspended or revoked;~~

3 (7) For renewals, a copy of the required state operating licenses;

4 (8) A copy of City of Detroit income tax returns for the previous three years for each
5 individual who has whole or partial ownership of the entity, and corporate tax
6 returns if applicable; or, a sworn statement attesting that no income was made in
7 the City of Detroit that would require the individual to file a city income tax return;

8 (9) A comprehensive business plan detailing:

9 (i) business operations

10 (ii) security,

11 (iii) testing,

12 (iv) nuisance mitigation

13 (v) waste handling and disposal

14 (vi) environmentally sustainable practices

15 (vii) community relations

16 (viii) recruitment and training of employees

17 (ix) protocols for employee and customer safety

18 (x) number of Detroit residents employed

19 ~~(10) An applicant for a grower's license or a processor's license shall not be a registered~~
20 ~~primary caregiver and shall not employ an individual who is simultaneously a~~
21 ~~registered primary caregiver, and the applicant shall provide proof, until December~~
22 ~~31, 2021, that the applicant has, or has an active employee who has, a minimum of~~
23 ~~two years' experience as a registered primary caregiver~~ Financial documentation

1 demonstrating resources sufficient to meet the capitalization required for the
2 facility or establishment by the State of Michigan pursuant to the MMFLA. A
3 certified statement from a CPA is sufficient;

4 (11) ~~A description of the security plan for the medical marijuana facility, including,~~
5 ~~security precautions, recording/monitoring devices, barriers and lighting~~ Property
6 tax clearance for the proposed location;

7 (12) ~~A description of the storage facilities and related equipment for all medical~~
8 ~~marijuana, regardless of its form~~ Blight clearance for the proposed location;

9 (13) ~~A description of the process for tracking quantities and inventory controls for~~
10 ~~medical marijuana, regardless of its form, including cultivation and disposal~~ A copy
11 of the conditional land use approval for the intended use or the intended use of an
12 equivalent license;

13 (14) ~~A description of the products and services to be provided by the medical marijuana~~
14 ~~facility, including retail items~~ Applicants for a designated consumption
15 establishment must submit a conditional land use approval for a private club that
16 references the use of marijuana;

17 (15) ~~A description of the procedures for testing of contaminants and the labeling of~~
18 ~~medical marijuana products, regardless of form~~ Applicants for a microbusiness
19 must submit a conditional land use approval for either a grower, a processor, a
20 provisioning center or retailer, or, a co-located site that includes one of the
21 aforementioned uses;

22 (16) ~~Any other information the applicant believes is needed to fully and completely~~
23 ~~describe the services the applicant intends to provide and/or the benefits the~~

1 ~~applicant will provide to the City and the greater community~~ A copy of the
2 temporary or final certificate of occupancy for the intended use permitted by
3 Subsections (13), (14), or (15) of this section.

4 (17) A signed release acknowledging that the City will investigate the income and
5 property tax status of the applicant, its owners, directors, officers, members,
6 managers, partners, shareholders, employees and any medical marijuana facilities
7 or adult-use marijuana establishments related to any of the aforementioned
8 individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
9 license being issued under this article.

10 (18) Whether the applicant is seeking provisional license status in accordance with
11 Section 20-6-33 of this Code, in such case, submission of the information required
12 under Subsections (5), (11), (12), (13), (14), (15), (16), and (19) of this section shall
13 be suspended until such time within 12 months of the provisional license that the
14 applicant can provide such information;

15 (19) A “Good Neighbor Plan” signed by the applicant, indicating the applicant’s
16 commitment to its community, including a community outreach report and a
17 community outreach plan as defined in Section 20-6-2 to ensure awareness of the
18 application and potential employment opportunities in the neighborhoods
19 surrounding the proposed business, as well as one or more of the following:

- 20 i. Hiring at least 50% of full time employees who are Detroit residents for
21 jobs paying at least \$15 an hour; or
22 ii. Hiring at least 30% of full time employees who have a prior controlled
23 substance record, as defined in Section 20-6-2, for jobs paying at least \$15

1 an hour; or

2 iii. Purchasing at least 50% of necessary goods and services from licensed
3 medical marijuana facilities, adult-use marijuana establishments, Detroit
4 legacy licensees, or other businesses located in the City of Detroit; or

5 iv. If a grower or processor, selling at least 25% of available harvest or products
6 to Detroit legacy licensees at a price that is at least 25% lower than the
7 current market rate in Detroit; or

8 v. A minimum of 750 annual volunteer hours serving a duly organized Detroit-
9 based charitable organization, community organization, religious
10 institution, school, or block club that operates within the community where
11 the applicant's facility or establishment is located; or

12 vi. Annually donate a minimum of 1% of the applicant's gross revenue to a
13 duly organized Detroit-based charitable organization that operates within
14 the community where the applicant's facility or establishment is located, or
15 to a fund that may be established by the City of Detroit for the purpose of
16 funding social equity initiatives, and substance use prevention programs.

17 (20) Whether the applicant is a current or former medical marijuana facility or adult-use
18 establishment state operating license holder, licensing history, and any violation
19 history pertaining to operation of the medical marijuana facility or adult-use
20 establishment;

21 (21) A copy of the applicant's Prequalification received from the State of Michigan
22 Marijuana Regulatory Agency;

1 (b) ~~Except as may be required by state or federal law, the Buildings, Safety Engineering~~
2 ~~and Environmental Department will keep all application materials confidential. An applicant for~~
3 marijuana event organizer license or a temporary marijuana event permit shall file an
4 application with the Department electronically upon a form provided by the Department. An
5 application for a temporary marijuana event must be submitted at least 90 days
6 prior to the event. The application shall include the following information, as applicable:

7 (1) The name, age, address, principal telephone number and email address of the
8 applicant;

9 (2) A signed release authorizing the Detroit Police Department to perform criminal
10 background checks on all individuals identified as part of the ownership entity;

11 (3) For marijuana event organizers, a copy of a driver's license or government
12 identification, and verification of Detroit legacy applicant status if applicable;

13 (4) If the applicant is an organized legal entity, the name, mailing address, telephone
14 number, and email of all owners, directors, members, managers, officers, partners,
15 or shareholders, as well as the registered agent;

16 (5) The address of the privately owned property and/or building proposed to be used
17 for the temporary marijuana event;

18 (6) A certificate of occupancy and certificate of compliance for the building, or
19 drawing of outdoor site proposed to be used for the temporary marijuana event;

20 (7) A description of the temporary marijuana event including dates and proposed hours
21 of operation;

22 (8) A copy of City of Detroit income tax returns for the previous three years for each
23 individual who has whole or partial ownership of the entity, and corporate tax

1 returns if applicable; or, an affidavit attesting that no income was made in the City
2 of Detroit requiring the individual to file a city income tax return;

3 (9) Property tax clearance for the proposed location;

4 (10) Blight clearance for the proposed location;

5 (11) A deed, lease, or other document evidencing site control of the proposed location;

6 (12) A signed release acknowledging that the City will investigate the income and
7 property tax status of the applicant, its owners, directors, officers, members,
8 managers, partners, shareholders, employees and any medical marijuana facilities
9 or adult-use marijuana establishments related to any of the aforementioned
10 individuals, and that any outstanding taxes, fines, or fees will be paid prior to a
11 license being issued under this article.

12 (13) A statement attesting that the applicant will cooperate with law enforcement during
13 the temporary marijuana event, and, in any enforcement action taken as a result of
14 the temporary marijuana event; and

15 (14) For a marijuana event organizer, a copy of the applicant's Prequalification from the
16 State of Michigan Marijuana Regulatory Agency.

17 (c) The MLRC shall provide a recommendation of approval or denial of a temporary
18 marijuana event and all submitted materials to the Detroit City Council. The Detroit City Council
19 must approve a temporary marijuana event before a permit is issued by the Department.

20 (d) Property owners seeking a co-location license for a building where more than
21 one medical marijuana facility or adult-use marijuana establishment is located, and at least one is
22 operated by a licensee other than the property owner, shall file an application with the Department

1 electronically upon a form provided by the Department. The application shall include the
2 following information:

3 (1) A copy of the conditional land use grant or grants approving the co-located uses;

4 (2) A copy of each state operating license associated with the site if available;

5 (3) Property tax clearance for the proposed location;

6 (4) A copy of City of Detroit income tax returns for the previous three years for each
7 individual who has whole or partial ownership of the entity, and corporate tax
8 returns if applicable; or, a sworn statement attesting that no income was made in
9 the City of Detroit requiring the individual to file a city income tax return;

10 (5) Blight clearance for the proposed location;

11 (6) Certificate of occupancy or certificate of compliance for all permitted uses;

12 (7) A sworn statement attesting that the property owner will ensure all permitted uses
13 at the site hold a state operating license and a license under this article before
14 commencing operation;

15 (8) A sworn statement attesting that the property owner will cooperate with law
16 enforcement in addressing alleged criminal activity at the site.

17 **Sec. 20-6-2320-6-37. Application fee Fees.**

18 (a) A non-refundable application fee shall be paid upon filing the application. The
19 application fee shall be in an amount established from time to time by the Director of the Buildings,
20 Safety Engineering and Environmental Department and shall be approved by resolution of the City
21 Council. The fee shall be intended to defray costs incurred by the City to process the in processing
22 the license application and may be different for each license type. The fee shall be posted on a
23 schedule in the Department.

1 (b) The application fee for a Detroit legacy applicant shall be 1% of the fee
2 established in accordance with Subsection (a) of this section.

3 (c) A nonrefundable license fee shall be paid prior to issuance of a license and upon
4 applying for renewal. The license fee shall be in an amount established from time-to-time by the
5 Director of the Department and shall be approved by resolution of the City Council. The fee shall
6 be intended to defray costs incurred by the City to process and monitor licensed facilities and
7 establishments, and may be different for each license type. The fee shall be posted on a schedule
8 in the Department.

9 (d) For the first year of licensure, the license fee for a Detroit legacy applicant shall
10 be 1% of the fee established in accordance with Subsection (c) of this section. For the second
11 year of licensure, the license fee for a Detroit Legacy licensee shall be 25% of the fee established
12 in accordance with Subsection (c) of this section, and for all subsequent years of licensure, the full
13 fee shall apply.

14 (e) A nonrefundable license fee shall be paid prior to issuance of a provisional license.
15 The license fee shall be in an amount established from time-to-time by the Director of the
16 Department, shall be no more than the fee for the first year of licensure of a Detroit Legacy
17 applicant, and shall be approved by resolution of the City Council. The fee shall be intended to
18 defray costs incurred by the City to process and monitor provisional licenses. The fee shall be
19 posted on a schedule in the Department.

20 (f) A nonrefundable application fee shall be charged for the processing and
21 certification, or renewal of a Detroit legacy applicant or licensee in accordance with Section 20-6-
22 32 of this Code. The certification fee shall be in an amount established from time-to-time by the
23 Director of the Civil Rights, Inclusion, and Opportunity Department and shall be approved by

1 resolution of the City Council. The fee shall be posted on a schedule in the Civil Rights, Inclusion,
2 and Opportunity Department.

3 **Sec. ~~20-6-24~~20-6-38. – Application review process.**

4 (a) ~~The Buildings, Safety Engineering and Environmental Department shall review~~
5 ~~each application to ensure that it is complete, that the information required by this article has been~~
6 ~~submitted, and that the application fee has been paid.~~For each new application or renewal of a
7 medical marijuana facility or adult-use marijuana establishment license submitted under this
8 article, the Department will confirm whether the application is complete and that the application
9 fee has been paid. The Department may reject any application that contains insufficient
10 information and may deny an application for failure to pay the application fee. If the Department
11 determines that an application contains insufficient information the applicant shall be notified and
12 will have 14-15 business days after the notification is sent to supplement the information in the
13 application, after which time the application will be dismissed, and a new application and
14 application fee will be required.

15 (b) Upon receipt of a complete application, the Department will forward the application
16 materials to the MLRC for review and a recommendation.

17 (c) The MLRC shall consider the information submitted by the applicant, and the
18 requisite departments before providing a recommendation.

19 (d) Upon receipt of a favorable recommendation from the MLRC, the Department may
20 issue the license in the manner required by this article.

21 (e) The applicant shall pay the license fee prior to receiving a license.

22 **Sec. ~~20-6-25~~20-6-39. - Inspections, investigations, review of materials submitted.**

23 (a) Upon application and before any license under this article is issued for a medical
24 marijuana facility or an adult-use marijuana establishment, the application shall be referred to

appropriate departments of the City, ~~including, divisions of the Buildings, Safety Engineering and Environmental Department and the Fire Department,~~ for respective reports to be provided to the MLRC on compliance with this Code and state law, rules and regulations, including the following:

(1) *Zoning.* The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of the Detroit Zoning Ordinance, being Chapter 50 of this Code. For purposes of this article, license applicants for adult-use marijuana establishments shall be deemed to have appropriate zoning if the property is zoned properly for an equivalent license under the MMFLA or as set forth in Subsections (13), (14) and (15) of Section 20-6-36;

(2) *Building and Property Maintenance Codes.* The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of the Stille-DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 *et seq.*, and the Property Maintenance Code, being Chapter 8, Article XV of this Code;

(3) A property that is the designated location and subject of an application for a business license for a temporary marijuana event shall have a certificate of occupancy, a certificate of compliance, and no outstanding blight violations, inspection fees, or property taxes;

(4) *Fire protection and safety.* The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of the Detroit Fire Prevention and Protection Code, being Chapter 18, Article I of this Code;

(5) *Plumbing.* The medical marijuana facility or adult-use marijuana establishment shall meet applicable requirements of the Stille-DeRossett-Hale Single State Construction Code Act, being MCL 125.1501 *et seq.*, and the Michigan Plumbing Code, being Chapter 8, Article V of this Code;

1 (6) *Ventilation.* Proper ventilation, either natural or mechanical, shall be provided so
2 that each person within a medical marijuana facility or adult-use marijuana
3 establishment will be supplied with 1,200 cubic feet of air per hour, or as required
4 by applicable state code, whichever is greater;

5 (7) *Lighting.* The medical marijuana facility or adult-use marijuana establishment shall
6 have adequate lighting in every part of the premises in compliance with applicable
7 requirements of the Michigan Electrical Code, being Chapter 8, Article III, of this
8 Code;

9 (8) *Health and sanitation.* All rooms within a medical marijuana facility or adult-use
10 marijuana establishment housing toilet facilities shall be equipped with sanitary
11 towels of a type acceptable to the Health Department. All rooms within the
12 premises shall meet the requirements of the Michigan Public Health Code, being
13 MCL 333.1101 *et seq.*, including those concerning food preparation and sanitation.

14 (b) A license shall not be issued or renewed until satisfactory inspections and reviews
15 are completed by the departments delineated in Subsection (a) of this section, and written reports
16 are issued indicating that the applicant complies with the requirements of this section.

17 (c) In addition to the inspections required above, upon application and before any
18 license under this article is issued for a medical marijuana facility or adult-use marijuana
19 establishment, including provisional licenses and marijuana event organizer license applications,
20 the application shall be referred to the City's Police Department and Finance Department for
21 respective reports on compliance with the following:

22 (1) The Police Department shall complete criminal background checks on all
23 individuals who are part of the ownership entity;

1 (2) The Finance Department shall cause an investigation to be completed to determine
2 whether any property or income taxes, special assessments, fines, fees or other
3 financial obligations to the City are unpaid, outstanding and/or delinquent at the
4 licensed location or from the applicant, its owners, directors, officers, members,
5 managers, partners, and shareholders.

6 (d) A license shall not be issued or renewed under this article until satisfactory
7 inspections and reviews are completed by the departments delineated in Subsection (c) of this
8 section. A license shall not be issued or renewed by the Department until both of the following
9 have occurred: (1) the Police Department provides written confirmation that all individuals who
10 are part of the ownership entity do not have any felony convictions related to violent crimes, fraud,
11 embezzlement or dishonesty; and (2) the Finance Department provides written confirmation that
12 all individuals making up the ownership entity are not in arrears for any property or income taxes,
13 special assessments, fines, fees or other financial obligations to the City.

14 (e) If the applicant is a current or former medical marijuana facility licensee, the
15 MLRC shall consider the applicant's operational history, experience, and taxpaying history.

16 (f) The MLRC shall also take social equity considerations into account when
17 recommending approval or denial of a license, including, but not limited to:

18 (1) Whether the applicant intends to ensure that at least 50% of its employees are
19 Detroit residents, especially those Detroit residents who are veterans, low income
20 as defined in Section 20-6-2 of this Code, and/or have a prior controlled substance
21 record as defined in Section 20-6-2, and that the jobs provided pay at least \$15 an
22 hour;

23 (2) Whether an applicant for a grower or processor license intends to supply businesses
24 owned by Detroit legacy licensees; and

1 (3) The applicant's Good Neighbor Plan submitted in accordance with Section 20-6-

2 36(a)(19).

3 **~~Sec. 20-6-26.~~ REPEALED**

4 ~~(a) In addition to the inspections required above, upon application and before any license under~~
5 ~~this article is issued for a medical marijuana facility, the application shall be referred to the~~
6 ~~Police Department and Office of Chief Financial Officer for respective reports on compliance~~
7 ~~with the following:~~

8 ~~(1) The Police Department shall complete criminal background checks on all individuals~~
9 ~~listed within the application; and~~

10 ~~(2) The Office of Chief Financial Officer shall cause an investigation to be completed to~~
11 ~~determine whether any property or income taxes, special assessments, fines, fees or other~~
12 ~~financial obligations to the City are unpaid, outstanding and/or delinquent.~~

13 ~~(b) A license shall not be issued or renewed until satisfactory inspections and reviews are~~
14 ~~completed by the departments delineated in Subsection (a) of this section. A license shall not~~
15 ~~be issued or renewed by the Buildings, Safety Engineering and Environmental Department~~
16 ~~for any medical marijuana facility until after both of the following have occurred:~~

17 ~~(1) The Chief of Police provides written confirmation that all individuals listed within the~~
18 ~~application do not have any felony convictions related to illegal narcotics, fraud,~~
19 ~~embezzlement or dishonesty; and~~

20 ~~(2) The Chief Financial Officer provides written confirmation that the applicant is not in~~
21 ~~arrears for any property or income taxes, special assessments, fines, fees, or other~~
22 ~~financial obligations to the City.~~

23 **~~Sec. 20-6-27. License fee.~~ REPEALED**

1 ~~A license fee shall be paid upon the issuance of a license under this article. The license fee~~
2 ~~shall be in an amount established from time to time by the Director of the Buildings, Safety~~
3 ~~Engineering and Environmental Department and shall be approved by resolution of the City~~
4 ~~Council. The fee shall be intended to defray the costs incurred by the City to process and monitor~~
5 ~~licensed facilities. The fee shall be posted on a schedule in the Department.~~

6 **Sec. 20-6-40. Operating requirements.**

7 A medical marijuana facility or adult-use marijuana establishment licensed under this article
8 shall be subject to the following conditions:

9 (1) Compliance with the requirements of this Code, and all applicable state and federal
10 laws;

11 (2) Compliance with the provisions of the MMFLA or the MRTMA;

12 (3) Medical marijuana facilities and adult-use marijuana establishments must
13 obtain all necessary state and local licenses before commencing operations and shall maintain a
14 valid state operating license and business license under this article at all times during operation;

15 (4) No persons under the age of 18 may be allowed within any medical marijuana
16 facility or adult-use marijuana establishment, unless the individual is a qualifying patient or
17 accompanied by his/her primary caregiver- parent or documented legal guardian;

18 (5) No medical marijuana facility or adult-use marijuana establishment shall permit
19 the sale or dispensing of alcoholic liquor or tobacco for consumption on or off the premises;

20 (6) Operating hours for provisioning centers, retailer establishments, and
21 microbusinesses shall not exceed the hours between 9:00 AM and 10:00 PM daily. Designated
22 consumption establishments may operate between 9:00 AM and 2:00AM daily;

23 (7) ~~Signs displayed on the exterior and interior of the property shall conform to this~~
24 ~~Code. No signs shall contain the words "marijuana," "marijuana" or "cannabis," nor shall any sign~~

~~contain marijuana leaves, green crosses, or lighting that violates this Code.~~ An adult-use marijuana establishment may post signage identifying the location as being a certified Detroit Legacy establishment only if the owner is certified as a Detroit legacy licensee. Signs displayed on the exterior and interior of the property, shall conform to this Code and applicable state law requirements.

(8) Public and common areas must be separated from restricted and non-public areas by a permanent opaque barrier that cannot be accessed by individuals not approved as personnel.

Sec. 20-6-2820-6-41. License issuance.

(a) ~~If the application and proposed medical marijuana facility meets all the requirements of this article, the Buildings, Safety Engineering and Environmental Department shall issue a license in writing.~~ When the application and proposed medical marijuana facility or adult-use marijuana establishment has been reviewed by the MLRC and a recommendation regarding the license, or an approval for a temporary marijuana event permit by City Council, is provided to the Department, the Department may issue a license in writing after the license fee is paid. A license that is issued under this article shall be continually posted ~~at all times~~ inside the licensed medical marijuana facility or adult-use marijuana establishment in a conspicuous location near the entrance.

(b) Except for a temporary marijuana event permit, which shall expire when the event concludes, the ~~The~~ term of a license shall be not more than one year and shall expire each year on September 30. Any application to renew a license shall be made ~~using the procedure for an original license as specified herein~~ as specified in Section 20-6-42.

(c) A license issued under this article is nontransferable, ~~except for application for transfer which shall be granted if the transferee is eligible to hold that license.~~ A new owner or operator of a licensed business under this article must obtain a new business license in accordance

1 with this article before the City will provide the attestation or other municipal approval required
2 for a transfer by the State of Michigan Marijuana Regulatory Agency.

3 (d) ~~A renewal license shall be issued unless the license has not been renewed by the~~
4 ~~Michigan Department of Licensing and Regulatory Affairs. A business owned by a Detroit legacy~~
5 ~~applicant and licensed under this article shall not be transferred, sold, or conveyed to anyone other~~
6 ~~than another Detroit legacy applicant for a period of five years from the date of the initial license~~
7 ~~granted, or the licensee will lose its Detroit legacy status and must re-apply and be approved for a~~
8 ~~license as a general applicant before operating.~~

9 **Sec. 20-6-42. Renewal of license; notification of deficiency or violation.**

10 (a) At least 120 days prior to the expiration of a license issued under this article,
11 licensees must submit a renewal application electronically on a form to be provided by the
12 Department. The renewal application shall include, but is not limited to:

13 (1) Changes to the ownership structure of the licensee, or an affidavit attesting that no
14 changes have occurred;

15 (2) A copy of the state operating license for the medical marijuana facility, adult-use
16 marijuana establishment or licensed activity;

17 (3) Confirmation that the licensee is still a Detroit legacy applicant, if applicable.

18 (b) The MLRC shall review and provide a recommendation for all applications for
19 renewal. A license under this article may be renewed by the Department after the MLRC has
20 confirmed the following:

21 (1) The licensee has paid all applicable City of Detroit income taxes and property taxes;

22 (2) All employees of the licensee and all natural persons who make up the ownership
23 entity have filed City of Detroit income tax returns for the preceding tax year;

24 (3) The licensee has paid all fees, fines or any other financial obligations owing the

1 City of Detroit;

2 (4) The licensee holds a valid state operating license for each use permitted at the site;

3 (5) There are no outstanding licensing violations from the City of Detroit or State of
4 Michigan pertaining to the operation of the licensed business;

5 (6) The licensed premises has a current certificate of compliance from the Department;

6 (7) The police department has indicated that no criminal activity that would require a
7 nonrenewal has occurred pertaining to the operation of the licensed business during
8 the license period immediately preceding that for which the renewal license is
9 sought;

10 (8) That the licensee has operated as a good corporate citizen with respect for its
11 surrounding environment, has kept its commitments in its Good Neighbor Plan and
12 community outreach plan, and has complied with the requirements of this article,
13 and the MMFLA or the MRTMA.

14 (c) Where there is an existing deficiency of a requirement under this Code or a
15 violation of this article concerning the premises or licensee that can be cured, the licensee shall be
16 notified by the Department or the MLRC and must cure the deficiency before a renewal license is
17 issued. If the deficiency is not cured within 30 days of the licensee being notified, the license and
18 renewal application will expire and a new license application will have to be filed with a new
19 associated fee.

20 ~~**Sec. 24-6-29. Denial, suspension, revocation.**~~

21 ~~(a) The following shall constitute grounds for the Buildings, Safety Engineering and~~
22 ~~Environmental Department to deny issuance of a license or to suspend or revoke a license issued~~
23 ~~pursuant to this article:~~

1 ~~(1) Any fraud, misrepresentation or false statement in an application, any materials~~
2 ~~filed with an application or related to a license, any materials provided in~~
3 ~~conjunction with an application or license, or any statement related to an application~~
4 ~~or license made to any City officials or agents; or~~

5 ~~(2) Non compliance with, or a violation of, this article, this Code, or any violation of~~
6 ~~state law relating to the operation of a medical marijuana facility.~~

7 ~~(b) Written notice of suspension or revocation, stating the cause or causes of suspension~~
8 ~~or revocation, shall be mailed to the licensee's address as shown in the application for a license.~~

9 ~~(c) Any person aggrieved by the suspension or revocation of a license under this article~~
10 ~~may appeal to the Building Authority Commission by filing with the office of the City Clerk a~~
11 ~~written appeal within ten days after suspension or revocation. The Clerk shall set a time and place~~
12 ~~for a hearing on such appeal, and notice of such hearing shall be given to the appellant in writing.~~
13 ~~After said hearing, the decision and order of the Commission on any such appeal shall be final and~~
14 ~~conclusive.~~

15 **Sec. 20-6-43. License suspension, revocation, or denial of renewal.**

16 (a) A license that is issued under this division may be suspended, revoked, or denied
17 renewal in accordance with this article and Chapter 28 of this Code.

18 (b) In addition to Subsection (a) of this section, the Department may also suspend,
19 revoke or deny renewal of a license in accordance with the procedures in Chapter 28 of this Code
20 based on any of the following:

21 (1) A failure to meet the conditions or maintain compliance with the standards
22 established by this article;

23 (2) One or more uncorrected violations of any City ordinance on the premises;

24 (3) Maintenance of a nuisance or criminal activity on the premises;

1 (4) A demonstrated history of excessive complaints for public safety intervention,
2 which may include dispatches of police, fire, or emergency medical services,
3 relative to the licensed premises, being three or more runs in any 30-day period;

4 ~~(5) Failure to obtain or maintain proof of a criminal background check for each~~
5 ~~employee confirming that they have not been convicted of any felony within the~~
6 ~~past 10 years, and have never been convicted of a felony involving illegal drugs~~
7 ~~other than marijuana, or a felony that is an assaultive crime as defined in Chapter X,~~
8 ~~Section 9a of the code of criminal procedure, being MCL 770.9a;~~

9 (65) Non-payment of any property or income taxes, special assessments, fines, fees or
10 other financial obligations to the City;

11 (76) Any fraud, misrepresentation or false statement in an application, any materials filed
12 with an application or related to a license, any materials provided in conjunction
13 with and application or license, or any statement related to an application or license
14 made to any City officials or agents;

15 (87) Any instance of operating a medical marijuana facility or adult-use marijuana
16 establishment without a license under this article and a state operating license; or

17 (98) Any other grounds for suspension, revocation or non-renewal set forth in this Code.

18 **Sec. 20-6-44. Penalty.**

19 (a) A licensee who commits a violation of this article:

20 (1) May be subject to a misdemeanor ordinance violation and a fine of not more than
21 \$500.00, in the discretion of the court, for each such offense;

22 (2) May be subject to nonrenewal, revocation, or suspension of its business license
23 under this article and Section 28-1-7 of this Code; and

1 (3) May be subject to any other sanctions or penalties under applicable laws, rules or
2 regulations.

3 (b) Each day of continued violation shall constitute a separate offense.

4 **Sec. 20-6-45. Appeals.**

5 Applicants may file appeals of adverse determinations under this article with the City of
6 Detroit Administrative Appeals Bureau as set forth in Chapter 3, Article IV of this Code, in
7 accordance with its published rules.

8 **Sec. 20-46. Inspection by authorized local officials.**

9 For purposes of ensuring compliance with this article, applicants and licensees shall
10 permit authorized local officials to inspect, during regular business hours, any portion of a
11 medical marijuana facility or adult-use marijuana establishment, subject to constitutional
12 restrictions on unreasonable searches and seizures. Where entry is refused or not obtained, the City
13 is authorized to pursue recourse as provided by law.

14 **Sec. 20-6-47. Social equity initiatives and substance use prevention appropriations.**
15

16 (a) The Office of Budget is hereby authorized to appropriate \$2,000,000 from prior
17 year fund balance to the Civil Rights, Inclusion, and Opportunity Department to support the initial
18 social equity initiatives and activities performed by the City in accordance with the legislative
19 purposes of this article. Subject to the annual budget process, it is expected that the City's annual
20 budget will contain a \$1,000,000 appropriation to the Civil Rights, Inclusion, and Opportunity
21 Department to support the ongoing social equity initiatives and activities performed by the City in
22 accordance with the legislative purposes of this article.

23 (b) Subject to the annual budget approval process, the City's annual budget will contain
24 an appropriation, equal to two percent (2%) of the gross allocation received by the City of Detroit
25 in the previous fiscal year pursuant to M.C.L. 333.27964, to the Detroit Health Department for

1 substance use prevention programming for youth.

2 **Secs. ~~20-6-30~~20-6-48—20-6-80. Reserved.**

3 **Section 2.** This ordinance is hereby declared necessary to preserve the public peace, health, safety
4 and welfare of the People of the City of Detroit.

5 **Section 3.** All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

6 **Section 4.** This ordinance shall become effective on January 11, 2021, after publication by the
7 City Clerk in accordance with Sec. 4-118 of the 2012 Charter of the City of Detroit.

8 Approved as to form:

9

10 

11 Lawrence T García

12 Corporation Counsel